

_____ BILL NO. _____

INTRODUCED BY _____

(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING AN ENERGY EFFICIENCY IMPROVEMENTS DISCLOSURE STATEMENT DURING REAL ESTATE TRANSACTIONS; REQUIRING THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO DESIGN A BROCHURE OUTLINING ENERGY EFFICIENCY IMPROVEMENTS; AMENDING SECTION 50-60-801, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Definitions. As used in [sections 1 through 3], the following definitions apply:

(1) "Department" means the department of environmental quality.

(2) "Energy efficiency improvements" means energy efficiency programs and incentives, including but not limited to:

(a) tax credits for expenditures or investments in energy conservation pursuant to 15-32-109, 15-32-201, and 15-32-402;

(b) tax deductions for expenditures for capital investments in buildings for energy conservation purposes as provided in 15-32-103;

(c) low-income weatherization assistance programs pursuant to 90-4-201;

(d) alternative energy revolving loan programs for the installation of alternative energy systems pursuant to 75-25-101;

(e) conservation purchases or investments pursuant to Title 69, chapter 3, part 7;

(f) net-metering programs pursuant to Title 69, chapter 8, part 6;

(g) applicable property tax reductions and exemptions pursuant to 15-6-224, 15-6-225, and 15-24-1402.

(3) "Inhabitable real property" means any real property that includes a building affixed to land. The building must be designed to be primarily occupied by humans, either as a dwelling or as a place of business.

NEW SECTION. Section 2. Energy efficiency improvements -- departmental duties -- brochure.

(1) Before October 1, 2009, the department shall prepare an informational brochure to be distributed pursuant to [section 3].

(2) In nontechnical language, the brochure must include:

- (a) a concise summary of state and federal energy efficiency improvements;
- (b) phone numbers and world wide web links where additional information is available; and
- (c) other information that the department considers relevant.

(3) The brochure must be provided at no cost to Montana real estate organizations and residential construction companies.

NEW SECTION. Section 3. Notice requirements -- energy efficiency improvements. (1) Except as provided in subsection (2), an energy efficiency improvements information disclosure statement must be provided on at least one document, form, or application executed prior to or contemporaneously with an offer for the purchase and sale of inhabitable real property. The seller or seller's agent shall provide the brochure provided for in [section 2] and a disclosure statement to the buyer, and the buyer shall acknowledge receipt of the brochure and disclosure statement by signing a copy of the disclosure statement. The disclosure statement must read as follows:

"Energy efficiency improvements: Energy efficiency improvements can reduce monthly energy bills, and many energy efficiency incentives are available in Montana, as outlined in the attached brochure. Loans for renewable energy systems and tax credits, deductions, and reductions for renewable energy systems and energy conservation are available to homeowners. Additional information regarding energy efficiency improvements may be obtained from the department of environmental quality."

(2) Prior to a buyer entering into a contract for the construction of new inhabitable real property, the construction professional, as defined in 70-19-426, shall provide the brochure provided for in [section 2] and the energy efficiency improvements information disclosure statement provided for in subsection (1) of this section to the buyer on at least one document, form, or application, and the buyer shall acknowledge receipt of the brochure and disclosure statement by signing a copy of the disclosure statement.

(3) This section does not create a contingency on the purchase of the property or any right to rescind a contract for purchase unless the contingency or right to rescind is an express term of the applicable contract.

Section 4. Section 50-60-801, MCA, is amended to read:

"50-60-801. Statement of policy on residential energy efficiency. The legislature finds that the people of Montana have an interest in energy efficiency in certain residential buildings for the purpose of protecting and improving their economic and environmental well-being and energy security, while recognizing the basic need for safe and affordable shelter. It is the policy of the state of Montana to encourage energy efficiency in residential buildings through strategies that ensure that:

(1) the housing consumer has access to the information required to make informed choices about structures and energy efficiency measures pursuant to [sections 1 through 3];

(2) energy efficiency measures are safe, reliable, and readily available for use in Montana;

(3) investments in energy efficiency measures are cost-effective;

(4) the cost of energy efficiency measures on the combination of down payments, monthly mortgage payments, and monthly utility bills does not adversely affect the affordability of housing to prospective home buyers and renters; and

(5) energy efficiency measures do not place an undue or inequitable burden on residential building owners or renters, the residential construction industry, financial institutions, real estate salespersons and appraisers, energy providers, or state and local governments."

NEW SECTION. Section 5. Codification instruction. [Sections 1 through 3] are intended to be codified as an integral part of Title 75, and the provisions of Title 75 apply to [sections 1 through 3].

NEW SECTION. **Section 6. Saving clause.** [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

NEW SECTION. Section 7. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. Section 8. Effective date. [This act] is effective on passage and approval.

NEW SECTION. **Section 9. Applicability.** [This act] applies to real estate transactions and contracts for the construction of new inhabitable real property executed after October 1, 2009.

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